

CF&I STEEL CORPORATION

A subsidiary of Crane Co.

P. O. Box 316, Pueblo, Colo. 81002

JOSEPH W. GAGLIANO

Vice President & Controller

April 17, 1980

Mr. Ron W. Daniels, Coordinator
Mine and Land Development
A Division of Oil and Gas Mining
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

RECEIVED
APR 22 1980

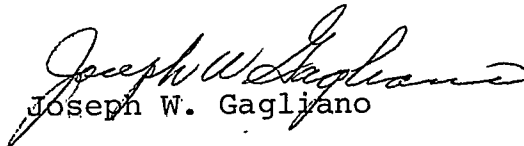
DIVISION OF
OIL, GAS & MINING

Dear Mr. Daniels:

A letter of credit, a copy of which is attached, issued by The First National Bank of Denver on behalf of the State of Utah with respect to the reclamation obligations of CF&I Steel Corporation at its Comstock, Utah Mine has been forwarded to you on behalf of CF&I. This letter of credit, you will note, is good for a five-year period. It will be renewed on a timely basis in satisfaction of the reclamation requirements applicable to the Comstock Mine.

If I may be of further service, do not hesitate to call at my number, (303) 561-6500.

Very truly yours,


Joseph W. Gagliano

JWG/WRT/sa

Enclosure



First of Denver

The First National Bank of Denver
Post Office Box 5808
Denver, Colorado 80217
Telephone 303 893-2211

CLEAN IRREVOCABLE LETTER OF CREDIT

State of Utah
Department of Natural Resources
Mine and Land Development
A Division of Oil and Gas Mining
1588 West North Temple
Salt Lake City, Utah 84116
Attention: Mr. Ron Daniels, Coordinator

Date: April 16, 1980

Cable: Woodbank
Telex 045-631
Telex 045-906

All Drafts Must be Marked:
Drawn Under Credit No. **SB 10553**

Gentlemen:

At the request of our client, C F and I Steel Corporation, we hereby establish our Clean Irrevocable Letter of Credit in your favor for an amount up to but not exceeding the aggregate sum of FIVE HUNDRED EIGHTY EIGHT THOUSAND NINE HUNDRED FIFTY ONE AND NO/100 US DOLLARS (US \$588,951.00), effective immediately, and expiring at our counters at 3:00 pm, Denver time, on April 16, 1981.*

Funds under this credit are available to you by your sight draft drawn on us mentioning thereon this Credit No. SB 10553. Such draft drawn must be accompanied by your signed statement that C F and I Steel Corporation has failed to comply with the terms as stated in your Notice of Intention to Commence Mining and Mining and Reclamation Plans as filed with your division on June 27, 1977, Reference No. ACT/021/005, as amended.

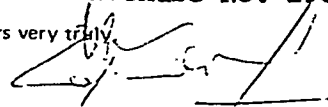
*It is a further condition of this credit that it shall be deemed automatically extended for an additional period of one year from the present or any future expiration date hereof, unless thirty (30) days prior to any such expiry date we notify you in writing that we elect not to consider this letter of credit renewed for any such additional period, but in no event later than April 16, 1985.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified; amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any document or instrument.

Address all communications regarding this Letter of Credit to the attention of our International Division, mentioning specifically our Credit No. **SB 10553**.

We hereby agree with the drawers, endorsers, and bona fide holders of drafts drawn under and in compliance with the terms of this credit that such drafts will be duly honored upon presentation to the drawee. **This credit is subject to the Uniform Customs & Practice for Documentary Credits (1974 Revision) ICC Brochure No. 290.**

Yours very truly,


H. George Capelo
Authorized Signature
Vice-President